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FEDERAL MARITIME COMMISSION

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October 10, 2003

**J. MICHAEL CAVANAUGH**  
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## VIA HAND DELIVERY

Hon. Bryant L. VanBrakle, Secretary  
Federal Maritime Commission  
800 North Capitol Street, N.E.  
Washington, D.C. 20573-0001

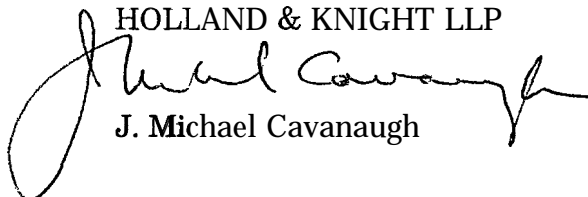
Re: Petition Nos. P5-03, P7-03, P8-03 and P9-03

Dear Mr. Secretary:

Please find enclosed comments of United Parcel Service ("UPS") in connection with Petition Nos. P5-03, P7-03, P8-03 and P9-03. UPS' comments in response to each Petition are identical and have therefore been consolidated into one document. Per our discussion earlier today, this filing by UPS shall be deemed a concurrent filing in respect of each of the referenced Petitions. Accordingly, only one original and 15 copies of UPS' comments are hereby submitted with this letter.

If you have any questions regarding this comments submission, please do not hesitate to call me at (202) 828-5084. Thank you.

Sincerely,

HOLLAND & KNIGHT LLP  
  
J. Michael Cavanaugh

JMC/pnc  
Enclosures

cc(w/enc. via email and UPS overnight delivery):

Edward D. Greenberg, Esq. (re Petition No. P5-03)  
Leonard L. Fleisig, Esq. (re Petition No. P7-03)  
Edward J. Shepard, Esq. (re Petition No. P8-03)  
Carlos Rodriguez, Esq. (re Petition No. P9-03)

**BEFORE THE FEDERAL MARITIME COMMISSION**

**Petitions Nos. P5-03, P7-03, P8-03 and P9-03**

**COMMENTS OF UNITED PARCEL SERVICE**

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FEDERAL MARITIME COMMISSION

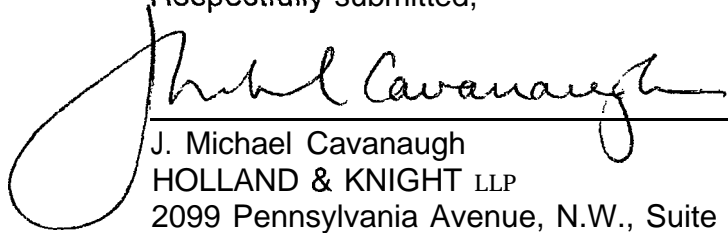
United Parcel Service, Inc. ("UPS") hereby comments upon petitions filed by the National Customs Brokers and Forwarders Association of America (Petition No. P5-03), Ocean World Lines, Inc. (Petition No. P7-03), BAX Global, Inc. (Petition No. P8-03) and C.H. Robinson Worldwide, Inc. (Petition No. P9-03). Details regarding UPS and its interests in these matters may be found in UPS's petition for an exemption to permit UPS to exercise service contract authority (Petition No. P3-03).

UPS does not oppose any of these petitions. Each constitutes a proposal for an exemption or rulemaking addressing certain issues related to those identified by UPS in Petition No. P3-03. However, UPS wishes to make several points relating to the effect these petitions may have on UPS's own petition.

BAX Global, Inc. has proposed a rulemaking under which the Commission would determine and adopt a set of criteria specifying which OTIs may be granted service contract authority. BAX suggests as possible criteria (i) a significant presence in U.S. commerce, (ii) public stockholding, or alternatively affiliation with a VOCC, and (iii) service as a multimodal marine logistics provider, historically compliant with Commission rules. It may be appropriate for the Commission to determine criteria establishing prospectively which OTIs are qualified for service contract authority. However, such a rulemaking may take considerable time to prosecute. In the interim, UPS submits that its own petition – and any exemptions along similar lines sought by other well-qualified OTIs – should be granted rather than held in abeyance pending any rulemaking process. As shown in UPS's petition, UPS would meet any set of criteria established for such exemption by BAX and any of the various other petitioners or commenting parties. Granting of pending petitions of clearly-qualified OTIs in the interim will have a positive effect on competition and commerce generally, benefiting shipper interests.

Secondly, for the reasons stated in UPS's petition, full service contract authority is the proper regulatory relief under Section 16 to address the competitive issues affecting large multi-modal carrier integrated logistics service providers such as UPS. While the several forms of tariff disclosure exemptions, modification of tariff rules or interpretations of the "special contracts" definition sought by petitioners in Petition Nos. P5-03 and P7-03 may resolve specific competitive problems identified by those petitioners, such steps alone would not enable UPS to provide the form of efficient "one-stop" supply chain management contracts and services its shipper customers need and demand.

Respectfully submitted,



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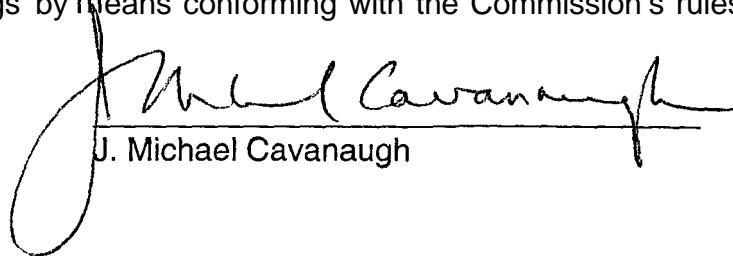
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Charles L. Coleman, III  
HOLLAND & KNIGHT LLP  
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October 10, 2003

CERTIFICATE OF SERVICE

I hereby certify that I have this 10<sup>th</sup> day of October, 2003, caused a copy of the foregoing to be served upon counsel of record for petitioners in each of the foregoing proceedings by means conforming with the Commission's rules.



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J. Michael Cavanaugh